



# BUDGET COMMITTEE



Judd Gregg, Ranking Member  
<http://budget.senate.gov/republican>

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**Senator Gregg: Cash Shortfalls in Social Security and Medicare Programs  
Put Entitlement Crisis on Our Doorstep  
*U.S. Borrowing To Cover Programs' Costs Will Bankrupt Future Generations***

Senator Judd Gregg (R-NH), ranking member of the Senate Budget Committee, reacted to today's reports from the Social Security and Medicare Trustees that show both programs have very serious cash flow problems. Social Security Trustees estimate that program costs exceed revenues this year for the first time since the early 1980s, and will permanently exceed tax revenues beginning in 2015, while the Medicare program has been operating with a cash shortfall since 2008.

“Instead of focusing on the future dates when the Trust Funds become insolvent – thus deluding itself that the problem is years away – the Democratic Congress needs to understand that from a cash flow standpoint, the crisis is upon our doorstep. How can anyone conclude that these programs are sustainable? As of this year, both of these massive entitlement programs will have more going out than coming in. Medicare began operating under a cash shortfall in 2008 and now Social Security is in the same boat.

“To make matters worse, the Medicare Trustees report assumes that savings in Medicare found under the President's new health care plan will go to shore up the program, when in reality, the Democrats have made it clear that those savings will be used to finance a huge new health care entitlement. This double-counting of the Medicare savings must be taken into account when looking at the fiscal realities we face.

“The Obama Administration has no plan in place to address Medicare and Social Security's cash shortfalls, except to borrow more money from other countries and dig our children further into debt. With a current debt of \$13 trillion and annual deficits averaging \$1 trillion for the next decade, there is simply no excuse for the Democratic Congress not to address the entitlement crisis. The economic recession has worsened our fiscal outlook, and the spiraling debt will soon turn into an inescapable vortex if the majority continues its inaction. Democrats must take steps to stop their spend-and-borrow ways, or risk bankrupting our children and grandchildren.”